



The Medicaid Problem in Texas

• By [Texas Patriots PAC](#)

Medicaid currently takes up about a third of Texas' All-Funds budget, and we can expect it to continue growing over the years unless serious reforms are made. According to a 2010 report by Cato Institute Senior Fellow Dr. Jagadeesh Gokhale on behalf of the Texas Public Policy Foundation, even before ObamaCare was passed, Medicaid was expected to overtake 32% of the All-Funds budget by 2019, and 39.3% by 2040. By contrast, with ObamaCare's mandated expanded coverage for Medicaid, costs were expected to make up 45.9% of Texas' All-Funds budget by 2019, and 49.4% by 2040, eventually amounting to \$460 billion for the 2040-2041 biennium. In other words, ObamaCare would eventually make Texas spend half of its budget on Medicaid alone.

Although conservatives are rightfully disgusted with the Supreme Court's ruling on ObamaCare, one aspect of the Supreme Court's decision which was at least a step in the right direction is that it threw out the mandates to expand Medicaid coverage and set up state health insurance exchanges. Governor Perry has been quick to reject this now optional portion of the law, aligning Texas with several other states standing up to ObamaCare.

But according to projections, this at best allows Texas by 2040 to keep Medicaid at 39.3% of the budget rather than 49.4%. While Texas is right to reject the expansion, Medicaid is still set on an unsustainable trajectory, and the Texas legislature would set an example for the nation by addressing this problem in the upcoming session.

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